

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4053-01
Bill No.: HB 1525
Subject: Gambling
Type: Original
Date: February 14, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Gaming Proceeds for Education	\$7,009,000	\$8,410,000	\$8,410,000
Total Estimated Net Effect on <u>All</u> State Funds	\$7,009,000	\$8,410,000	\$8,410,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$780,000	\$935,000	\$935,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission (GAM)** state this proposal would have no fiscal impact on the operations of their agency. GAM states that of the projected 21,533,000 patrons estimated to visit Missouri's riverboat casinos in FY 2003, 2 percent, or 431,000 are considered "\$500 + Gamers." Assuming these 431,000 patrons attend an average of two two-hour sessions per visit, take full advantage of the additional \$250 buy-in per admission, and have an average casino win percentage of 21.7%, this proposal would result in additional gaming revenue of \$46,727,000 (431,000 x 2 admissions x \$250 extra buy in from \$500 to \$750 x 21.7%) per year.

Currently, the 20% tax on gaming revenue is split between the state's Gaming Proceeds for Education Fund (18%) and the home dock cities or counties (2%). Therefore, the additional \$46,727,000 of anticipated gaming revenue would result in an additional \$9,345,000 (\$46,727,000 x 20%) of gaming tax. From that amount, \$8,410,000 (18% of 20%) of which would go to the state's Gaming Proceeds for Education Fund and \$935,000 (2% of 20%) to go to the home dock cities and counties.

Officials from the **Department of Public Safety - Missouri Highway Patrol** state this proposal would have no fiscal impact on their agency.

Officials from the **Office of Administration - Budget and Planning** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GAMING PROCEEDS FOR EDUCATION			
<u>Revenue</u> - Increase loss limit by \$250	<u>\$7,009,000</u>	<u>\$8,410,000</u>	<u>\$8,410,000</u>
ESTIMATED NET EFFECT TO THE GAMING PROCEEDS FOR EDUCATION FUND	<u>\$7,009,000</u>	<u>\$8,410,000</u>	<u>\$8,410,000</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

**HOME DOCK CITIES AND
COUNTIES**

Revenue - Increase loss limit by \$250

\$780,000

\$935,000

\$935,000

**ESTIMATED NET EFFECT TO
HOME DOCK CITIES AND
COUNTIES**

\$780,000

\$935,000

\$935,000

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

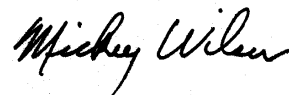
This proposal increases the maximum loss limit on excursion gambling boats from \$500 to \$750 per gambling excursion.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
Department of Public Safety
Missouri State Highway Patrol

NOT RESPONDING: Office of Administration - Budget and Planning



Mickey Wilson, CPA
Acting Director

February 14, 2002